

AR13

TEEL-ELDER LIMITED 1967

ANNUAL REPORT

DIRECTOR'S REPORT

FINANCIAL STATEMENT



PEEL-ELDER LIMITED 1967

Officers:

K. A. ROBERTS, President and General Manager
A. H. HONSBERGER, B.Sc., Vice-President and Mine Manager
P. C. FINLAY, Q.C., Secretary-Treasurer

Directors:

P. C. FINLAY, Q.C., Toronto
A. H. HONSBERGER, B.Sc., Brampton
H. HUNTER, Toronto
S. L. JASKE, Toronto
K. A. ROBERTS, Toronto

General Counsel and Solicitors:

HOLDEN, MURDOCH, WALTON, FINLAY, ROBINSON, PEPALL &
HARVEY, 2400 Bank of Nova Scotia Bldg., Toronto, Ontario

Auditors:

DUNWOODY & COMPANY
25 Adelaide Street West, Toronto 1, Ontario

Transfer Agents:

THE CANADA TRUST CO., 33 Adelaide St. W., Toronto, Ontario
REGISTRAR AND TRANSFER COMPANY, 15 Exchange Place,
Jersey City 2, N.J.

Head Office:

2400 Bank of Nova Scotia Building, Toronto, Ontario

HIGHLIGHTS

	1967	1966
GROSS REVENUE - - - - -	\$4,394,485	\$4,175,618
HOUSE SALES - - - - -	1,844,042	1,822,835
LAND SALES - - - - -	764,446	594,961
GROSS RENTAL REVENUE - - - -	1,664,058	1,350,705
DEPRECIATION & AMORTIZATION - -	325,249	275,606
REPAYMENT OF MORTGAGE DEBT -	815,000	760,000
PROFIT BEFORE CORPORATE TAX AND DEPRECIATION - - - - -	1,008,000	575,000
	(\$2.03 per share)	(\$1.16 per share)
NET PROFIT - - - - -	514,000	294,000
	(\$1.04 per share)	(\$0.59 per share)

HIGHLIGHTS

☐ A 75% increase in net profit.

☐ The commencement of construction of the Graydon Hall high rise apartment complex in Metropolitan Toronto.

☐ Arrangement of firm underwriting of 75,000 common shares to net the company \$825,000.00 in cash with an option on 37,500 additional shares, which if exercised, will net the company an additional \$412,500.00. The underwriting, although arranged in 1967, took place in early 1968 and is not reflected in your 1967 statement.

☐ We retain our original gold mining property in good standing.

☐ Re-negotiation of agreement on our Nova Scotia sulphur prospect whereby your company obtained a 51% interest with options to acquire the ownership of an additional 24%. Geo-physical work recently commenced and diamond drilling planned.

☐ Peel Village, Brampton, now houses more than 10,000 persons and your Company's house building program completed the year profitably and without unsold finished inventory. All our remaining serviced building lots have been released by the municipality for building purposes.

☐ A continuing program of apartment and multiple dwelling construction is taking place within our Peel Village project, with a successful completion of a multi-storied apartment, and the commencement of a second high rise apartment building.

☐ A new Shopper's World — a large new regional shopping centre located at the junction of Highway 10 and Steele's Avenue, on our Peel Village land. Construction to commence in 1968.

☐ Shopper's World Danforth — continues to be highly successful. Since December 15, 1967, to date of this report, your company has retired second mortgage debt of \$1,020,000 leaving only an amortized first mortgage of \$3,650,000 with 19 years to go. This centre, with a balance sheet value of \$5,600,000 cost your company \$6,300,00. It is the opinion of management that the present fair market value would be in the neighbourhood of \$9,000,000.

☐ Your company's banking credits and borrowing power is the strongest in the company's history. Your company's liquidity has substantially improved as indicated by the progressive reduction of the year end bank loans over the past four years.

1964	\$2,225,000.
1965	1,682,000.
1966	1,200,000.
1967	nil.

☐ Substantial bank credits, long term mortgage financing and the new capital from the sale of treasury shares will help to provide management with financial capabilities for accelerating corporate growth.

☐ The principal amounts payable on mortgages and notes during 1968, 1969 and 1970 total \$1,918,800.00 at December 31, 1967 (See note 8 to the Financial Statements.) In early 1968, the sum of \$624,000.00 was paid on account of mortgages referable to these three years, equal to about 32% of the total.

☐ A new Peel Village project — after five years of investigation and negotiations a large land assembly in the Preston-Kitchener area was acquired. This project, in the heart of Ontario, will consist of industrial, commercial and residential development which will provide your company with inventory for development over a fifteen year period.



THE DIRECTORS' REPORT TO THE SHAREHOLDERS:

Your Directors submit herewith the Annual Report of your Company together with the Consolidated Financial Statements of the Company and its wholly-owned subsidiaries as at December 31, 1967, as reported on by the Auditors of the Company. The Financial Statements also include the Consolidated Statement of Income in each instance for the year ended December 31, 1967, with 1966 comparative figures.

For the benefit of our many new stockholders, we repeat, from previous annual reports, a brief summary of the history of your Company. A gold discovery in North Western Quebec, near Rouyn-Noranda led to gold production commencing in 1947. This production was maintained until mid 1966 when it became unprofitable due to the fixed price of gold at \$35.00 (U.S.) per ounce along with mounting costs. The property is retained by your Company and its value would be re-assessed in the event of a substantial increase in the price of gold.

SULPHUR EXPLORATION

In April, 1966, your Company entered into a joint venture with New Senator Rouyn Limited on a sulphur discovery that had been made by the Department of Mines of the Province of Nova Scotia.

Your Company owned 40% of this joint venture and had an option to purchase an additional 9%. New Senator Rouyn Limited owned the remaining 51%. As a result of a new agreement entered into between your Company, the optionees, and New Senator Rouyn Limited, your Company now has a 51% interest in the venture and options to acquire an additional 24%.

The results of preliminary diamond drilling indicated a wide spread occurrence of free sulphur in an anhydride rock formation to depths of 1000 feet and over an area that was approximately $\frac{3}{4}$ of a mile from east to west and $\frac{1}{2}$ a mile north to south around the original discovery.

As the result of geophysical work, a large anomaly was indicated to the south of the area previously drilled and referred to above. This anomaly has been jointly interpreted by our consulting geologists and those of the Department of Mines of the Province of Nova Scotia as a large salt dome. They consider that it offers a good exploration bet for sulphur and potash. Your Company is now in a financial position to carry out such an exploration program and work has just been getting under way. At present, more detailed geophysical work is being done on the anomaly in order to pin point the location of the first diamond drill hole. It is estimated that the first hole will require from 1000 to 1500 feet in depth to penetrate the salt dome. The further exploration program will largely depend upon the geological information obtained from this exploratory hole. In view of the present world demand

for sulphur a feasibility study will be done in the months ahead pertaining to the recovery of sulphur from the sulphur bearing anhydride. Other mineral exploration work in the Province of Nova Scotia is contemplated.

PEEL VILLAGE

As has been pointed out in previous reports, it was in our search for diversification that we entered the field of land development and construction in 1959. Late in that year we acquired a large tract of land to the north-west of Metro-Toronto, in close proximity to Toronto International Airport, which lands are in the heart of one of the fastest developing areas on the continent. Our development, now famous throughout the country, is known as Peel Village. Here we are developing a modest city, which on our own lands should provide living accommodation for about 25,000 people. In addition to the residential, apartment and recreational facilities, we have a large industrial park and substantial commercial lands for continuing development.

The attractiveness of Peel Village has made it a desirable place in which to live. This has been accomplished by modern town planning, controlled architectural design with careful attention to detail in home construction, appearance and comfort. The large variety of pre-planned model homes has resulted in a conspicuous lack of repetition in house design. Telephone and electric services have been placed underground, eliminating all overhead wires and T.V. aerials.

In 1967 we constructed our first multi storied apartment building in Peel Village. It was leased out before completion and after the year end we started construction on a second one (almost double the size of the first). We expect to have a continuing apartment construction program on lands that we presently own extending over at least 10 years. At the present time, your company is retaining 100% ownership of these properties, as in the case with our substantial number of Town House apartment units which, due to today's economic conditions, continue to increase in value.

As has been pointed out in previous reports, our low land cost makes it feasible for your Company to build and retain income producing properties in Peel Village. The sale of apartment building sites to other builders, while creating an immediate large profit, would also result in an immediate income tax liability. Construction of income producing buildings on our low cost land inventory does not attract tax liability for some years into the future, due, in part, to the allowable depreciation on the finished buildings.

We expect 1968 to see the commencement of construction of a large regional shopping centre in Peel Village to be

(Continued after the Financial statement)

**PEEL-ELDER LIMITED
AND SUBSIDIARY COMPANIES**

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1967

DUNWOODY & COMPANY

Chartered Accountants / 25 Adelaide Street West Toronto 1, Ontario, Canada

CONSOLIDATED BALANCE SHEET AS AT 31st DECEMBER 1967

(with comparative figures for 1966)

ASSETS		1967	1966
<u>CURRENT</u>			
Cash on hand and in banks	\$	66,850	\$ 338,117
Trust bank account - Note 2		32,928	63,063
Accounts receivable		720,878	815,327
Mortgages receivable		518,000	803,900
Advances to Normco Limited		103,187	126,757
Marketable securities - at cost		40,278	42,639
(Market value - 1967, \$37,630; 1966, \$38,462)			
Inventories - Note 3		1,392,205	838,440
Prepaid expenses and deposits		187,806	185,398
		<hr/>	<hr/>
		3,062,132	3,213,641
<u>LAND HELD FOR FUTURE DEVELOPMENT -</u>			
Notes 4 and 5		2,082,549	2,155,323
<u>INVESTMENTS</u>			
Other enterprises - Note 6	\$	392,832	
Mortgages receivable		192,987	
Cash surrender value of life insurance		12,014	597,833
		<hr/>	521,024
<u>REVENUE PROPERTIES</u>			
Land, premises and equipment - at cost		12,731,041	
Accumulated depreciation		982,440	11,748,601
		<hr/>	11,451,099
<u>FIXED</u>			
Land, premises and equipment - at cost		269,174	
Accumulated depreciation		90,743	178,431
		<hr/>	171,353
<u>OTHER</u>			
Deferred leasing expense		89,800	97,300
Sundry		2	2
		<hr/>	<hr/>
		\$17,759,348	\$17,609,742
		<hr/>	<hr/>

LIABILITIES

	1967	1966
<u>CURRENT</u>		
Bank loans (secured)	\$	\$ 1,200,000
Accounts payable and accrued charges	501,322	320,638
Corporation income taxes - Note 7	225,584	161,370
Provision for land servicing and building construction	932,943	341,845
Tenants' rental deposits	55,023	54,642
Mortgage advances on houses in inventory	123,519	113,238
Mortgages and notes payable - due within one year	<u>561,800</u>	<u>511,825</u>
	2,400,191	2,703,558
<u>CORPORATION INCOME TAXES</u> - Deferred - Note 7	132,000	201,000
<u>MORTGAGES AND NOTES PAYABLE</u> - Note 8	<u>10,513,307</u>	<u>10,505,137</u>
	<u>13,045,498</u>	<u>13,409,695</u>
<u>SHAREHOLDERS' EQUITY</u>		
<u>CAPITAL</u>		
Authorized:		
1,000,000 shares of no par value.		
Issued and fully paid: - Note 9		
495,971 shares	3,547,538	3,547,538
<u>EARNED SURPLUS</u>	<u>1,166,312</u>	<u>652,509</u>
	<u>4,713,850</u>	<u>4,200,047</u>
	<u>\$17,759,348</u>	<u>\$17,609,742</u>

Contingent Liabilities - Note 11.

Approved on behalf of the Board of Directors:

K.A. Roberts Director

P.C. Finlay Director

This is the Consolidated Balance Sheet referred to in our report of this date.

S. J. W. & Co

TORONTO, Ontario,
19th April 1968 CHARTERED ACCOUNTANTS.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS **AS AT 31st DECEMBER 1967**

1. PRINCIPLES OF CONSOLIDATION

The assets, liabilities and operating results, after the eliminations referred to below, of all the wholly-owned subsidiaries of the Company and their subsidiaries have been included in the consolidated financial statements. All companies have fiscal years ending 31st December.

Inter-company indebtedness, operating transactions and unrealized profits have been eliminated. Inter-company investments have been eliminated with the exception of the unamortized portion of the excess of the cost of the shares of Peel Village Developments Co. Limited over book value at date of acquisition (referred to in Note 5), which amount has been added to land inventories.

The following companies are included in the consolidated financial statements:

Peel-Elder Limited
 Peel Village Developments Co. Limited
 Peel Village Homes Limited
 Shoppers' World (Brampton) Limited
 Lakeshore Towers of Peel Limited
 Elder Builders' Supplies Limited.

2. TRUST BANK ACCOUNT

The funds in the trust bank account are lodged as security for the completion of land servicing.

3. INVENTORIES

Serviced land is valued at cost, which includes a pro rata portion of the excess purchase price of the shares of a subsidiary (see Note 5) plus direct development costs. Finished houses and houses under construction are valued at estimated completed cost, including serviced land:

	1967	1966
Serviced land	\$ 838,577	\$377,499
Finished houses	130,956	460,941
Houses under construction	<u>422,672</u>	<u> </u>
	<u>\$1,392,205</u>	<u>\$838,440</u>

4. LAND HELD FOR FUTURE DEVELOPMENT

Valuation is at cost, which includes a pro rata portion of the excess purchase price of the shares of a subsidiary (see Note 5) plus direct development costs incurred to date.

5. EXCESS OF COST OF SHARES OF SUBSIDIARY OVER BOOK VALUE AT DATE OF ACQUISITION.

The excess of the purchase price of the shares of the subsidiary company, Peel Village Developments Co. Limited, over the book value at date of acquisition in 1959 was \$1,849,725. This amount is being amortized on consolidation against dispositions of land by the subsidiary. As at 31st December 1967 this excess is accounted for as follows:

Included in cost of land sold -		
1966 and prior	\$1,105,104	
1967	<u>83,427</u>	\$1,188,531
Included in cost of unsold land:		
Inventories - serviced land	\$ 157,716	
Land held for future development	<u>503,478</u>	<u>661,194</u>
		<u>\$1,849,725</u>

6. INVESTMENTS - OTHER ENTERPRISES

Investments as at 31st December are:

	1967	1966
Normco Limited -		
Shares - at cost	\$246,250	\$250,000
Joint mining venture -		
Interest in mining claims - at cost	45,000	45,000
Development expense	35,805	29,348
Joint realty development	<u>65,777</u>	<u> </u>
	<u>\$392,832</u>	<u>\$324,348</u>

A subsidiary owns 500 common shares out of a total of 1,170 issued common shares of Normco Limited, an Ontario corporation owning land in Metropolitan Toronto zoned for apartment development. During the year \$3,750 was received by the subsidiary on redemption of preference shares by Normco Limited.

The company has an interest with New Senator Rouyn in a sulphur prospect in Nova Scotia and has contributed jointly to development expenses to date.

During the year a subsidiary entered into an equal partnership with another corporation for the acquisition and development of land for

6. (continued)

commercial, industrial and residential purposes. The summarized position of the partnership at 31st December 1967 is:

Current assets		\$ 555
Land held for future development, at cost	\$522,319	
Less: Mortgages payable	<u>354,500</u>	167,819
Deposits on offers to purchase land		<u>16,500</u>
(Purchase price \$445,000; mortgages arranged \$346,000)		
		184,874
Accounts payable		<u>97,948</u>
Partners' equity		<u>\$ 86,926</u>
Peel Village Developments Co. Limited	\$ 65,777	
Other corporation	<u>21,149</u>	<u>\$ 86,926</u>

The partners' capital contributions have been equalized in 1968.

7. CORPORATION INCOME TAXES

No provision has been made for future corporation income taxes of subsidiaries which may be payable as a result of claiming, for tax purposes, capital cost allowances in excess of depreciation reflected in the companies' accounts. The reduction of corporation income taxes which may be payable amounts to \$150,000 in the current year and \$552,000 to date.

8. MORTGAGES AND NOTES PAYABLE

Mortgages and notes are repayable in varying amounts to 1998 and bear various interest rates. At 31st December they are comprised as follows:

	1967	1966
Mortgages - on land	\$ 712,308	\$ 862,970
- on revenue properties	10,187,799	9,978,992
Notes payable	<u>175,000</u>	<u>175,000</u>
	11,075,107	11,016,962
Current portion	<u>561,800</u>	<u>511,825</u>
	<u>\$10,513,307</u>	<u>\$10,505,137</u>

Principal amounts due on the mortgages and notes in the next five years are as follows:

1968	\$ 561,800
1969	486,000
1970	871,000
1971	1,225,000
1972	217,000

9. SHARE CAPITAL

Under an agreement entered into between the Company and Canadian Goldale Corporation Limited, the Company agreed to sell and Canadian Goldale Corporation Limited agreed to purchase 75,000 fully-paid and non-assessable shares of the Company at \$11.00 per share, or a total consideration of \$825,000. The agreement further gave Canadian Goldale Corporation the option to purchase all or any part of an additional 37,500 fully-paid and non-assessable shares of the Company at \$11.00 per share, to be taken up and paid for in full by 22nd June 1968. Subsequent to the fiscal year-end, Canadian Goldale Corporation Limited purchased 75,000 shares of the Company for \$825,000 cash. The option has not been exercised to date.

10. SUPPLEMENTARY INFORMATION

The following amounts have been included in operating expenses:

Interest on long-term indebtedness	\$721,526	
Provision for depreciation	315,265	
Amortization of deferred leasing expense	7,500	
Aggregate direct remuneration paid by the Company and its subsidiaries to directors and senior officers -		
Directors and senior officers	\$65,000	
Senior employees (not officers or directors)	<u>42,518</u>	107,518

11. CONTINGENT LIABILITY

The Company is guarantor under a performance bond now standing at \$102,000 given as security for the completion of a subdivision agreement entered into by Normco Limited. A subsidiary company has guaranteed bank advances to Normco Limited to a limit of \$720,000.

CONSOLIDATED STATEMENT OF EARNED SURPLUS
For the year ended 31st December, 1967
(with comparative figures for 1966)

	1967	1966
Balance 1st January	\$ 652,509	\$1,108,871
Net profit for year	513,803	294,261
Gain on disposal of mine equipment and buildings	<u> </u>	<u>59,686</u>
	1,166,312	1,462,818
Other assets written off	<u> </u>	<u>810,309</u>
Balance 31st December	<u>\$1,166,312</u>	<u>\$ 652,509</u>

CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended 31st December, 1967
(with comparative figures for 1966)

	1967	1966
<u>Land Development -</u>		
Sales	\$ 764,446	\$ 594,961
Direct costs	<u>519,665</u>	<u>401,687</u>
	\$244,781	\$193,274
<u>Houses -</u>		
Sales	1,844,042	1,882,835
Direct costs	<u>1,459,223</u>	<u>1,624,102</u>
	384,819	258,733
<u>Rentals -</u>		
Revenue	1,664,058	1,350,705
Direct costs	<u>1,475,041</u>	<u>1,086,451</u>
	189,017	264,254
<u>Mining -</u>		
Revenue		220,143
Direct costs		<u>285,006</u>
		(64,863)
<u>Partnership - joint realty</u> development - Share of preliminary expenses	(<u>4,851</u>)	<u> </u>
	813,766	651,398
<u>General and Administrative Expense</u>	<u>370,524</u>	<u>358,445</u>
	443,242	292,953
<u>Other Income - Interest, dividends</u> and sundry	<u>121,939</u>	<u>126,974</u>
	565,181	419,927
<u>Non-recurring items -</u>		
Payment to fund executive pension plan		(90,000)
Discount on sale of first mortgages		(30,066)
Discount received on renegotiation of mortgage	<u>117,622</u>	<u>(120,066)</u>
<u>PROFIT</u> , before provision for corporation income taxes	682,803	299,861
<u>Provision for corporation income taxes</u>	<u>169,000</u>	<u>5,600</u>
<u>NET PROFIT FOR YEAR</u>	<u>\$513,803</u>	<u>\$294,261</u>

DUNWOODY & COMPANY

Internationally

LASSER, HARMOOD-BANNER & DUNWOODY

Chartered Accountants / 25 Adelaide Street West Toronto 1, Ontario, Canada Telephone 362 2351

Montreal
Toronto
Winnipeg
Calgary
Vancouver
Cornwall
Trenton
Oakville
Welland
Fort William-
Port Arthur
Dryden
Fort Frances
Kenora
Swan River

19th April 1968

Internationally

United States
Great Britain
Australia
South Africa
Germany
France
Eire
Bahama Islands
Mexico
Ghana
Kenya
Nigeria

Correspondents

Netherlands
Philippines
Taiwan

To the Shareholders of
PEEL-ELDER LIMITED.

We have examined the Consolidated Balance Sheet of Peel-Elder Limited and subsidiary companies as at 31st December 1967 and the Statements of Earned Surplus, Operations and Source and Application of Funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Company and its subsidiaries as at 31st December 1967 and the results of its consolidated operations and the consolidated source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.


CHARTERED ACCOUNTANTS.

DIRECTORS' REPORT TO THE SHAREHOLDERS (continued)

called Shoppers World-Peel Village. It will become a sister development to our highly successful Shoppers World-Danforth located in Metropolitan Toronto. Due to the type of negotiations involved in this project, it is not in the Company's interest to give details at this time. We can say, however, that the first phase of construction will involve about six million dollars.

A NEW PEEL VILLAGE PROJECT

In 1967, after a five year study of the general area, we launched a large scale land assembly in the Preston-Kitchener area of Ontario. The property is located on Highway 401, the main street of Canada that extends from Detroit to Montreal. It is only a short drive west of Peel Village, Brampton, and our land assembly has an extensive frontage on Highway 401 between two limited access clover leaves. It is in the heartland of the great industrial complex of central western Ontario. In this program our participation is 50%, the other 50% being owned by Canadian Goldale Corporation Limited.

On this land we expect to develop a fully integrated city—including industrial, commercial and residential facilities. We expect to develop an even more successful project than our present Peel Village. We believe that, in addition to creating profit for our shareholders, we can create a sociological reform in a highly industrialized area by creating living accommodation for families at a price that they can afford. This is a right which has been lost to many families, due in part to the high cost of housing and the necessity to qualify by size of income for government insured first mortgage financing. We believe that under the free enterprise system we can successfully and profitably meet this great challenge and bring fresh and exciting ideas to housing.

The new development will be called Peel Village Highlands—located on a beautiful plateau overlooking the Grand River. We were honoured last fall to have the Premier of Ontario, The Honorable John Robarts, along with other members of the Federal and Provincial Parliaments, elected and appointed civic officials, the heads of banking and financial institutions and in all, over one thousand people, join with us in the announcement of this new project.

GRAYDON HALL TOWERS PROJECT

We have previously reported the acquisition of approximately 43% of the issued shares of an Ontario Corporation known as Normco Limited which company owns one of the most desirable pieces of property in Metropolitan Toronto, for high rise apartment development. Located between Highway 401, the Don Valley Parkway and Don Mills Road, it is contiguous to the 20 storey apartment tower known as "The Courtleigh" which your company already owns. The focal point of this

property is Graydon Hall, an elegant manor with beautiful formal gardens surrounding it. This manor will provide the nucleus of club and recreational facilities for the apartment complex. During 1967 we completed the engineering and the installation of the services, (streets, storm and sanitary sewers etc.) and the registration of the plan of subdivision. Near the end of 1967, Canadian Goldale Corporation Limited, which company owned the remaining 57% of the shares of Normco Limited, sold 50% of Normco Limited to a large financial institution.

The financial institution that purchased 50% of the equity of Normco Limited as referred to above, also made a firm commitment to provide in excess of eight million dollars in first mortgage money for the first two towers, which mortgage will be Federal government guaranteed under the terms of the National Housing Act. This institution has the financial capability to provide all additional financing. Construction is actively under way on this project.

FINANCING

It is worthy of note that your company has reached this point in its growth with an issued capital at year end of 495,971 common shares. There are no preferred shares, bonds or debentures outstanding. In 1967, we negotiated the sale of 75,000 treasury shares for investment purposes to Canadian Goldale Corporation Limited to net your company \$825,000.00. In consideration of this transaction, we extended a six months option to the same company to purchase an additional 37,500 shares to net your treasury \$412,500.00, if the option is exercised. The transaction was approved by the shareholders of both companies at meetings called for the purpose in January 1968. Your company has received the \$825,000.00 and this amount is not reflected in your 1967 year end financial statements.

OUTLOOK

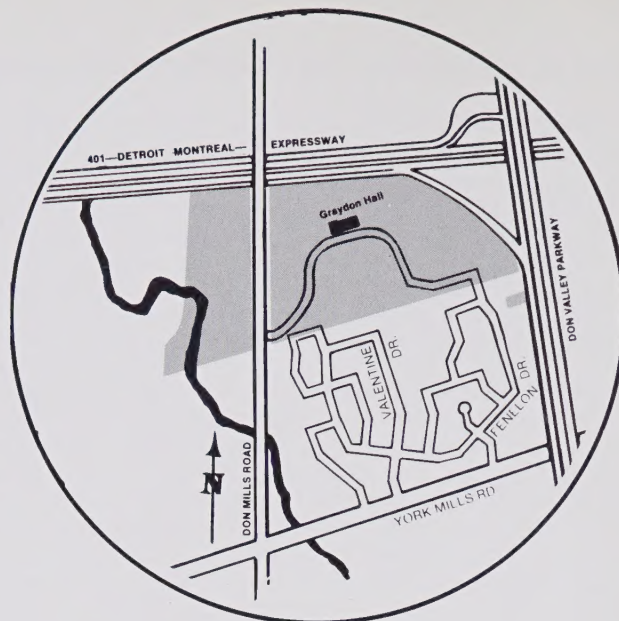
Your company has reached new stature during the past year. It has successfully undertaken and developed new projects during this time and has evolved important long range plans for your company's future. These can be more readily carried out as a result of the marked improvement in our equity-debt ratio and the association that has been developed with a large financial institution.

Your management, therefore, is enthused about the outlook of your company and we invite you to remain a shareholder to participate in that future.

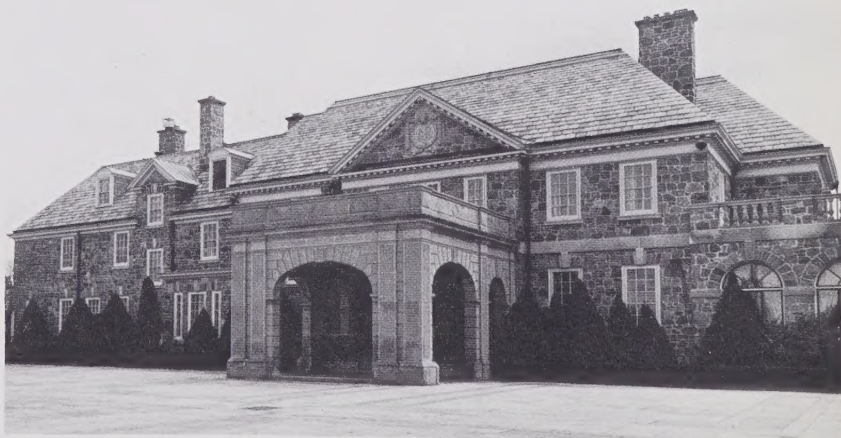
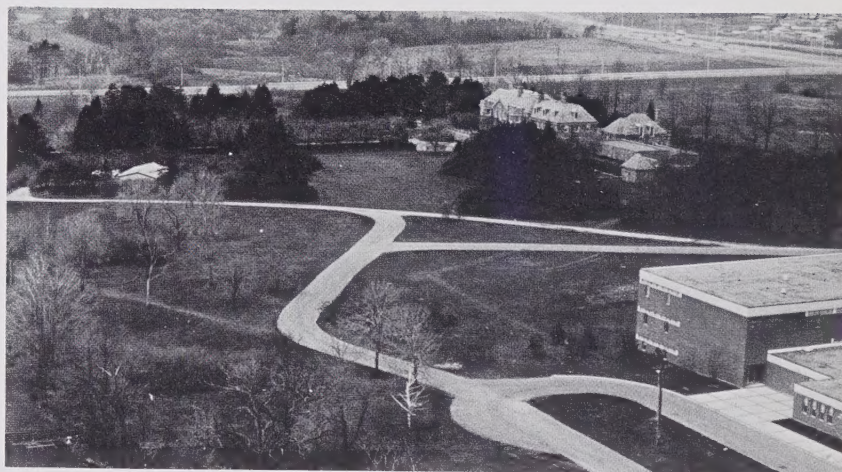
On behalf of the Board,

KENNETH A. ROBERTS,
President and General Manager.

Toronto, Ontario
April 23, 1968

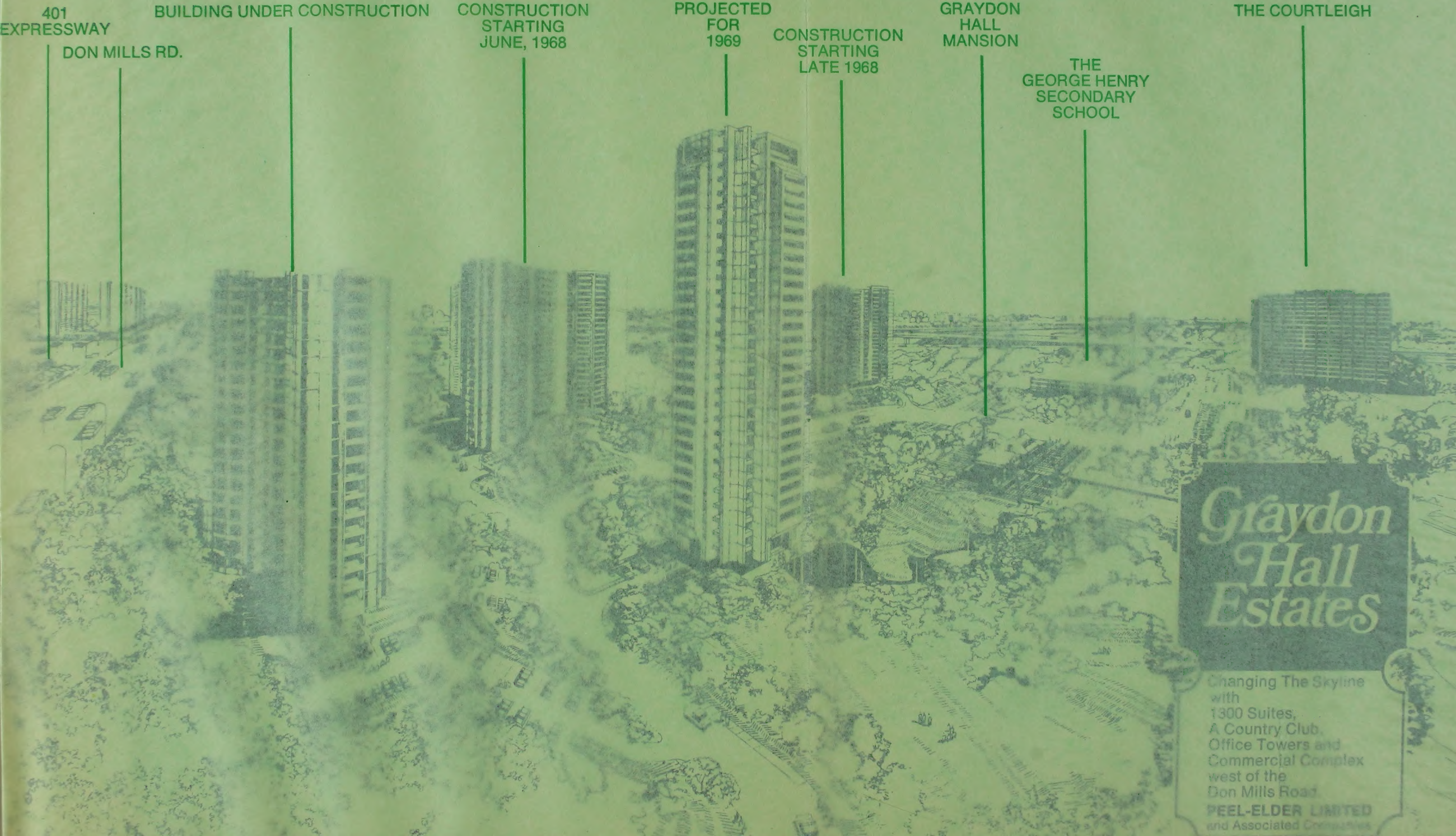


Graydon Hall Estates



Graydon Hall

Changing the Skyline of Metropolitan Toronto



*Graydon
Hall
Estates*

Changing The Skyline
with
1300 Suites,
A Country Club,
Office Towers and
Commercial Complex
west of the
Don Mills Road.

PEEL-ELDER LIMITED
and Associated Companies



Graydon Hall Estates

Changing The Skyline
with
1300 Suites,
A Country Club,
Office Towers and
Commercial Complex
west of the
Don Mills Road.

PEEL-ELDER LIMITED
and Associated Companies

